

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

EX PARTE OR LATE FILED

RECEIVED

JUN 19 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

| | | |
|----------------------------------|---|----------------------|
| In the Matter of |) | |
| |) | |
| BOC Notices of Compliance |) | |
| with CEI Waiver Requirements |) | |
| for Market Trials of Enhanced |) | |
| Services |) | |
| |) | CC Docket No. 88-616 |
| BellSouth Notification of Market |) | |
| Trial of Plan to Act as Sales |) | |
| Agent for Unaffiliated |) | |
| Alarm Monitoring Providers |) | |

NOTIFICATION

By this filing, BellSouth Corporation, on behalf of BellSouth Telecommunications, Inc. ("BellSouth"), provides the Commission and the public with initial notification of BellSouth's plan to act as a sales agent for one or more unaffiliated alarm monitoring service providers on a limited trial basis. This Notification is filed in accordance with the requirements of the Bureau's *Enhanced Service Market Trials Order*.¹ As provided in that *Order*, if the Bureau takes no action on this Notification, BellSouth will commence its trial as described herein no sooner than ninety days after the date of this filing.²

¹ *BOC Notices of Compliance with CEI Waiver Requirements for Market Trials of Enhanced Services*, 4 FCC Rcd 1266 (1989) ("*Enhanced Service Market Trials Order*" or "*Market Trials Order*").

² *Market Trials Order*, 4 FCC Rcd at 1272 ("Assuming the proposed trial fits within the waiver conditions established [in this *Order*], [the Bureau] will take no further action regarding the BOC waiver notice, in which case the trial may commence at the end of the ninety-day waiting period.").

Description of the Trial

BellSouth recently filed a Comparably Efficient Interconnection (“CEI”) Plan to act as a sales agent for unaffiliated alarm monitoring service providers on a non-exclusive and nondiscriminatory basis.³ BellSouth filed its CEI Plan because its business models suggest that both BellSouth and its customers could benefit from the availability through BellSouth sales channels of alarm monitoring services. At this time, however, BellSouth has no experience selling alarm monitoring services. The purpose of this market trial Notification, therefore, is to allow BellSouth the opportunity to generate such experience by which it might validate its business models and otherwise “determine whether and how [BellSouth] will offer enhanced [alarm monitoring] services on an ongoing basis,”⁴ once its CEI plan is approved.⁵

Through the course of the trial, BellSouth will act as a sales agent for one or more unaffiliated alarm monitoring service providers on a non-exclusive and nondiscriminatory basis. BellSouth will provide services including sales of alarm monitoring service to residential and commercial customers, installation and maintenance of CPE, and end-user customer care and billing. Alarm monitoring services will be provided by an entity or entities not affiliated with BellSouth. Thus, BellSouth will not perform alarm monitoring services as defined in Section 275⁶ of the Act.⁷

³ BellSouth Plan for Comparably Efficient Interconnection To Act As Sales Agent For Unaffiliated Alarm Monitoring Providers, CCB Pol No. 98-03 (filed June 12, 1998) (“BellSouth CEI Plan”). A copy of that plan is attached for convenience as Exhibit A.

⁴ *Enhanced Service Market Trials Order*, 4 FCC Rcd at 1271-1272.

⁵ Of course, if BellSouth’s CEI plan is approved before the expiration of the ninety-day waiting period, this Notification becomes moot.

⁶ 47 U.S.C. § 275.

⁷ The Communications Act of 1934, as amended, 47 U.S.C. §§ 151 *et seq.* (“the Act”).

BellSouth's market trial will be geographically limited to the Charlotte, North Carolina, metropolitan area.

Market Trial Compliance Conditions

In the *Market Trial Notification Order*, the Bureau established six conditions that enhanced service market trials must meet and required BOCs to explain in their market trial notifications how each of those conditions will be satisfied.⁸ BellSouth restates and addresses each of those conditions in turn below.

1. **Duration**: "The CEI waiver will only be applicable to limited market trials of up to eight months duration."

BellSouth will limit its market trial to no more than eight months duration. Of course, BellSouth anticipates that its CEI Plan will be approved before that time expires, at which point BellSouth may extend or expand its market trial (or roll the service out as a generalized offering) consistent with the terms of the approved CEI Plan.

2. **Accounting**: "The costs of all market trials must be allocated in full accordance with approved Cost Allocation Manuals."

BellSouth's cost allocation procedures for alarm monitoring services for which it acts as an agent or performs marketing will be in accordance with BellSouth's Cost Allocation Manual filed with the Commission pursuant to the *Joint Cost Order*.⁹

⁸ *Enhanced Service Market Trials Order*, 4 FCC Rcd at 1272.

⁹ *Separation of Costs and Regulated Telephone Service From Costs of Nonregulated Activities, Amendment of Part 31, the Uniform System of Accounts for Class A and Class B Telephone Companies to Provide for Nonregulated Activities and to Provide for Transactions Between Telephone Companies and their Affiliates*, 2 FCC Rcd 1298 (1987) ("Joint Cost Order").

3. **Trial Closure:** “BOCs that conduct market trials must inform end user trial participants that services and prices available during the trial may not be available after the close of the trial.”

This condition has only indirect relevance to the market trial arrangement that is the subject of this Notification. Because the “market trial” in this instance relates to the sales agency relationship between BellSouth and the unaffiliated provider(s) of alarm monitoring services and not to the provision of the alarm monitoring service itself, it would make little sense to impose this third condition on the service relationship between the end user and the actual provider(s) of the alarm monitoring service. Rather, this condition should be “interpret[ed] . . . in a manner that reflects a [BOC’s] marketing and sales agency relationship with an unaffiliated entity.”¹⁰ To that end, BellSouth will satisfy this condition by considering unaffiliated alarm monitoring service provider(s) to be the affected “trial participant(s)” and by informing them that the sales agency service relationship (i.e., “the services”) and compensation structures (i.e., “the prices”) available during the trial may not be available after the close of the trial. BellSouth believes this accommodation satisfies the spirit and intent of the third condition.

4. **Equal Access:** “Competing ESPs must receive equal access, at equivalent prices, for all basic network services used in the trial.”

BellSouth confirms that all alarm monitoring service providers will have equal access to all of the same basic services from the same tariffs and under the same terms and conditions, regardless of whether BellSouth acts as a provider’s sales agent.

¹⁰ *Southwestern Bell Telephone Company’s Comparably Efficient Interconnection Plan for Security Service*, 12 FCC Rcd 6496, 6519 (1997) (“*Southwestern Bell Order*”) (acknowledging that CEI requirements must be adapted to accommodate circumstances in which a BOC is selling, but not providing, alarm monitoring services).

5. Notification: “ESPs must be informed of trials ninety days in advance of a trial.”

BellSouth will supplement this initial public notification by posting notification of the planned trial on BellSouth’s website on the internet.

6. Other Safeguards: “CPNI and network disclosure rules must be observed.”

BellSouth will comply with the provisions of Sections 222 and 275(d) of the Act addressing uses of CPNI and of other alarm service-related calling information, respectively, as those provisions have been interpreted by the Commission.¹¹ The interconnection between alarm monitoring service providers for whom BellSouth acts as a sales agent and the underlying basic services used by these alarm monitoring service providers will be achieved through existing, published network interfaces. If BellSouth changes any existing network interface specifications or uses new interface specifications for basic underlying services, it will comply with the Commission’s network disclosure rules.


¹¹ *Implementation of the Telecommunications Act of 1996: Telecommunications Carriers’ Use of Customer Proprietary Network Information and Other Customer Information*, First Report and Order, 11 FCC Rcd 9553 (1996), Second Report and Order, 13 FCC Rcd 8061 (1998).

Conclusion

This Notification satisfies the requirements of the *Enhanced Service Market Trials Order*. Accordingly, as provided in that *Order*, if the Bureau takes no action on this Notification, BellSouth will commence its market trial as described herein no sooner than 90 days after this filing.

Respectfully submitted,

BELLSOUTH CORPORATION
BELLSOUTH TELECOMMUNICATIONS, INC.

By: 
M. Robert Sutherland
A. Kirven Gilbert III

Their Attorneys

1155 Peachtree Street, N.E., Suite 1700
Atlanta, Georgia 30309-3610
(404) 249-3388

Date: June 19, 1998

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

| | | |
|--------------------------------------|---|------------------------|
| In the Matter of |) | |
| |) | |
| BellSouth Plan for |) | |
| Comparably Efficient Interconnection |) | CC Docket No. 98-_____ |
| To Act As Sales Agent For |) | |
| Unaffiliated Alarm Monitoring |) | |
| Providers |) | |

**BELLSOUTH'S COMPARABLY EFFICIENT INTERCONNECTION PLAN TO
ACT AS SALES AGENT FOR UNAFFILIATED ALARM MONITORING
SERVICE PROVIDERS**

BellSouth Corporation on behalf of itself and its affiliated entities (BellSouth), respectfully submits this Comparably Efficient Interconnection (CEI) Plan to act as a sales agent for unaffiliated alarm monitoring service providers.

I. INTRODUCTION

CEI plan approval is required when a Bell Operating Company (BOC) seeks to act as a sales agent for, or otherwise market, an enhanced service.¹ Furthermore, the Federal Communications Commission (FCC or the Commission) issued an Order requiring review of BOC proposals to act as a sales agent for unaffiliated alarm monitoring service providers.² This plan complies with the Commission's requirements

¹ *Amendment of Sections 64.702 of the Commission's Rules and Regulations (Third Computer Inquiry): and Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations Thereof, Communications Protocols under Section 64.702 of the Commission's Rules and Regulations*, 104 FCC 2d 958 (1986) (Phase I Order).

² *Implementation of Telecommunications Act of 1996: Telemessaging, Electronic Publishing, and Alarm Monitoring Services*, 12 FCC Rcd 3824 (1997) (Alarm Monitoring Order).

established in its *Alarm Monitoring Order* and its Order approving Southwestern Bell's CEI Plan regarding its offering of a comparable security service.³ BellSouth requests expedited approval of this proposed CEI Plan to meet market demand and keep pace with rapid changes in the market. Because BellSouth's Plan is directly modeled on prior Commission directives in this area, it raises no new issues, and expedited approval should be granted.

II. SERVICE DESCRIPTION

BellSouth proposes to act as a sales agent for unaffiliated alarm monitoring service providers on a non-exclusive and non-discriminatory basis. BellSouth will provide services including sales of alarm monitoring service to residential and commercial customers, installation and maintenance of CPE, and end-user customer care and billing. Alarm monitoring services will be provided by entities not affiliated with BellSouth. Thus, BellSouth will not perform alarm monitoring services as defined in Section 275 of the Act. In addition, BellSouth will engage in the independent sales, installation and maintenance of customer premises equipment (CPE) under its own brand and/or other brand(s) either directly or through sales agency agreements with unaffiliated companies on behalf of BellSouth.

Alarm monitoring services are designed to detect many common types of intrusion and emergency situations, sound an audible alarm, and report the condition to an alarm monitoring service provider. The typical alarm monitoring scenario involves two phases:

³ Order, In the Matter of Southwestern Bell Telephone Company's Comparable Efficient Interconnection Plan for Security Service, 12 FCC Rcd 6496 (1997) (*Southwestern Bell Order*).

Phase 1: The first phase is the transmission of a non-voice signal from the end-user customer's alarm system to an alarm monitoring center, indicating that an alarm condition exists. This message is transmitted over the public switched network or the public packet data network. BellSouth offers to provide the transport to the alarm monitoring center(s) for such messages pursuant to tariffed services in all of BellSouth's states.

Phase 2: After receiving the alarm signal, the unaffiliated monitoring service provider is responsible for situation assessment and taking appropriate action. The monitoring service providers may contact law enforcement agencies, fire departments, private security firms, and/or friends and neighbors as directed by the end-user customer.

Unaffiliated entities, not BellSouth, will perform these monitoring functions at the monitoring center(s) in both Phase 1 and Phase 2.

A. Agent Services

BellSouth will act as a sales agent on a non-exclusive, non-discriminatory basis for unaffiliated providers of alarm monitoring service. BellSouth customer contact centers will answer all inquiries regarding alarm monitoring services sold or marketed by BellSouth on behalf of unaffiliated alarm monitoring service providers. Potential customers will be given a contract which covers the provision of alarm monitoring service and the installation and maintenance of security system equipment (*i.e.* CPE) to be located at the customer's premises. The contract will set out the obligations and liabilities associated with the monitoring service and the CPE. BellSouth will execute the contract as the agent for and on behalf of the alarm monitoring service provider.

B. Independent Sales of CPE, Pricing and Billing Services

The unaffiliated alarm monitoring service provider, and not BellSouth, will set the prices for monitoring services. BellSouth will set the prices for sales, installation and maintenance of CPE sold or marketed by BellSouth or its agents. BellSouth will not brand the monitoring service as a BellSouth service.

BellSouth will have the ability to conduct end-user customer care and billing services on behalf of the alarm monitoring service provider. Additionally, BellSouth will collect customer payments, deduct charges for billing, customer care and collection services it provides, deduct any sales commission due, and remit the net balance to the alarm monitoring service provider based on negotiated prices. BellSouth will clearly identify the unaffiliated alarm monitoring service provider on all bills issued to end-user customers.

C. Non-Exclusive Sales Agent Arrangements

BellSouth sales agency arrangements will be mutually non-exclusive and non-discriminatory. Specifically, BellSouth will have the ability to enter into sales agency arrangements with multiple alarm monitoring service providers and the alarm monitoring service providers will be free to enter agreements with other sales agents. BellSouth will consider acting as a sales agent for qualified service providers based upon standard business criteria, such as the provider's financial and business stability, industry expertise, professional reputation, size and scope of operations, geographic monitoring coverage, central alarm monitoring station certification, technical and operational performance, scalability, innovation leadership, existing and emerging service capabilities, and compensation arrangements. Additionally, BellSouth will make equally

available to all qualified alarm monitoring service providers the terms and conditions of its sales agency arrangements.⁴

D. Compensation Arrangements

BellSouth's compensation as a sales agent for an unaffiliated alarm monitoring service provider will solely depend upon BellSouth's performance as a sales agent. Such compensation will not depend upon a provider's performance in offering the alarm monitoring service, nor will it be based upon the net revenues of an alarm monitoring service provider to which BellSouth furnishes sales agency services. BellSouth will not have a financial stake in the commercial success of any alarm monitoring service provider.⁵

The exact terms of compensation will be the subject of commercial negotiations on an arm's length basis between BellSouth and its unaffiliated alarm monitoring service provider(s). They will probably be based on a flat rate, per customer, billed either on an upfront one-time basis or in the form of a monthly recurring charge, taking into account the level and associated cost of advertising, marketing, and customer care that BellSouth will incur on behalf of the agency relationship and the volume of new customers produced as a result of BellSouth's marketing efforts.

III. COMPLIANCE WITH CEI PLAN REQUIREMENTS

BellSouth's CEI plan to act as a sales agent for unaffiliated alarm monitoring service providers is patterned after the Commission's *Southwestern Bell Order* approving Southwestern Bell's directly comparable CEI plan for security service. The following sections describe BellSouth's compliance with the CEI requirements in this CEI plan and

⁴ The referenced standards fully comply with the *Alarm Monitoring Order* (at 3841).

⁵ The referenced standards fully comply with the *Alarm Monitoring Order* (at 3842).

is based upon the Commission's explanation of the CEI requirements in the *Southwestern Bell Order*.

A. Unbundling of Basic Services

The Commission requires a telecommunications carrier to unbundle, and associate with a specific rate element in the tariff, the basic services and basic service functions that underlie the enhanced service offering provided or marketed by the carrier.⁶ The *Southwestern Bell Order* states that: "The basic services underlying the provision of alarm monitoring service by entities for whom the carrier acts as a sales agent or performs marketing will be available on an unbundled basis to all other unaffiliated alarm monitoring service providers and end user customers on an unbundled basis at the same rates, terms and conditions through state tariffs in all states served by the carrier."⁷

Local exchange service is the primary underlying basic service that will be used in providing the alarm monitoring service for which BellSouth proposes to act as a sales agent. Local exchange service is available at tariffed rates in all nine states served by BellSouth. BellSouth's local tariffs are available at

<http://cpr.bst.bellsouth.com/index2.html>.. Thus, the primary underlying service is available to all service providers and end user customers at tariffed rates. These services will continue to be available on an unbundled basis to all alarm monitoring service providers and end-user customers on an unbundled basis at the same rates, terms, and conditions through state tariffs.

⁶ *Phase I Order* at 1040.

⁷ *Southwestern Bell Order* at 6520.

B. Interface Functionality

The Commission requires a telecommunications carrier to make available standardized hardware and software interfaces that are able to support transmission, switching, and signaling functions identical to those utilized in the enhanced service provided by the carrier or for which the carrier acts as a sales agent.⁸ Applied to the alarm monitoring relationship, the Commission stated in its *Southwestern Bell Order* that:

1) all alarm monitoring companies may connect their facilities to the carrier's network through existing standard line-side and trunk-side network interfaces; 2) no special interfaces, signaling, abbreviated dialing, or other unique capabilities will be provided by the carrier to any end user or alarm monitoring company; 3) in the event that special interfaces, signaling, abbreviated dialing, or other unique capabilities are provided by the carrier to alarm monitoring companies for which the carrier provides sales agency or marketing, the carrier will make such arrangements available to all other alarm monitoring service providers at the same time, in the same jurisdictions, and on the same terms and conditions; 4) and the carrier will provide advance notification to all alarm monitoring service providers of new interfaces as required by the Commission's network disclosure rules.⁹

BellSouth will provide connection for all unaffiliated alarm monitoring service providers for whom BellSouth acts as a sales agent or performs marketing, and for those whom BellSouth does not act as a sales agent or perform marketing, to its network through existing standard line-side and trunk-side network interfaces which have already been made available to the public through BellSouth's standard network disclosure procedures. BellSouth will not provide special interfaces, signaling, abbreviated dialing, or other unique capabilities to end-users, or to other alarm monitoring service providers. If such access arrangements are to be made available in the future, they will be made available to all alarm monitoring service providers, regardless of whether BellSouth is

⁸ *Phase I Order* at 1039.

⁹ *Southwestern Bell Order* at 6521.

their acting agent. BellSouth will provide advance notification to alarm monitoring service providers of new interfaces, and will disclose the new interfaces at the make/buy point.

C. Resale

The Commission requires telecommunications carriers providing enhanced service operations, or the entity for which it acts as sales agent or provides marketing to take the basic services used in its enhanced service offerings, at the carrier's unbundled tariffed rates.¹⁰ When this requirement is applied to the alarm monitoring sales agent relationship, the Commission states that all alarm monitoring service providers for whom the carrier acts as sales agent or performs marketing will take the basic services underlying their alarm monitoring services at tariffed rates.¹¹ BellSouth confirms that the alarm monitoring service providers for whom BellSouth will act as sales agent or performs marketing will obtain the basic services underlying their monitoring services at tariffed rates.

D. Technical Characteristics

The Commission requires a telecommunications carrier to provide basic services with technical characteristics that are equal to the technical characteristics of the basic services the carrier uses for its own enhanced services or the enhanced services for which it acts as sales agent or performs marketing.¹² When this requirement is applied to the alarm monitoring sales agent relationship, the Commission states in its *Southwestern Bell Order* that the carrier will provide all alarm monitoring service providers with underlying

¹⁰ *Phase I Order* at 1035-37, 1040, 1064-66.

¹¹ *Southwestern Bell Order* at 6522.

¹² *Phase I Order* at 1041.

basic local exchange services that have technical characteristics that are equal to the technical characteristics of those services provided to an alarm monitoring service provider for whom the carrier acts as a sales agent or performs marketing.¹³

BellSouth will provide interconnection between the alarm monitoring service provider for whom BellSouth acts as a sales agent or performs marketing and the underlying basic services through existing, published standard network interfaces. The facilities provided to alarm monitoring service providers for which BellSouth serves as a sales agent will be that same as those provided to unaffiliated service providers, and will fully comply with the Commission's regulations for technical equality. According to the current Commission requirements, BellSouth will file annual affidavits as evidence that proper procedure has been followed and that BellSouth personnel did not discriminate in the quality of service provided.

E. Installation, Maintenance and Repair

The Commission requires a telecommunications carrier to ensure that the installation, maintenance and repair of basic services and facilities offered to unaffiliated service providers through a CEI plan are equal to the installation, maintenance and repair of basic services the telecommunications carrier provides to its own enhanced service operations or the enhanced service operations of an entity on whose behalf a carrier is acting as a sales agent or performing marketing.¹⁴ Furthermore, the carrier must meet reporting and other criteria showing that they have met this requirement.¹⁵

¹³ *Southwestern Bell Order* at 6522-23.

¹⁴ *Phase I Order* at 1041.

¹⁵ *Id.*

When this principle is applied to the sales agent relationship, the Commission states in its *Southwestern Bell Order* that the periods for installation, maintenance, and repair of underlying basic services should be the same for all alarm monitoring service providers, regardless of whether BellSouth is their acting agent.¹⁶

BellSouth will provide installation, maintenance and repair services in a non-discriminatory manner. BellSouth's internal methods for installing, maintaining and repairing all of its basic services are sufficiently mechanized that discrimination against any given customer or type of customers is prevented.

F. End User Access

The Commission requires a telecommunications carrier, whose end-users utilize the abbreviated dialing and signaling capabilities to activate or obtain access to the carrier's enhanced services, to provide the same capabilities to all end-users that use the carrier's facilities.¹⁷ When this requirement is applied to the alarm monitoring sales agent relationship, the Commission states that all end-users accessing the alarm monitoring services for which the carrier acts as a sales agent or performs marketing will use the same tariffed services that end-users can use to access all other alarm monitoring service providers services. Additionally, the Commission states that no abbreviated dialing or signaling arrangements will be uniquely available to end users that are customers of alarm monitoring service providers for whom the carrier acts as a sales agent or performs marketing.¹⁸

¹⁶ *Southwestern Bell Order* at 6523.

¹⁷ *Phase I Order* at 1041.

¹⁸ *Southwestern Bell Order* at 6524.

BellSouth assures the Commission that all end-user customers will have access to the alarm monitoring services via the same tariffed services, regardless of whether BellSouth is the acting agent. No abbreviated dialing or signaling arrangements are uniquely associated with the alarm monitoring services for which BellSouth will act as a sales agent or perform marketing.

G. CEI Availability

The Commission requires a telecommunications carrier providing or offering CEI to make that CEI offering available and fully operational on the date that the carrier offers or begins to market the enhanced service to the public in a given jurisdiction. Additionally, the Commission requires the carrier to allow prospective users of CEI facilities to test the enhanced service offerings prior to that date.¹⁹

When this requirement is applied to the alarm monitoring sales agent relationship, the Commission states that where all underlying basic service used by alarm monitoring service providers for whom the carrier acts as a sales agent or performs marketing are currently unavailable under tariff to any alarm monitoring service provider in all jurisdictions served by the carrier, and where access arrangements are not currently available, the carrier will make testing capability available to alarm monitoring service providers for which the carrier does not act as a sales agent or perform marketing, at the same time it makes testing capability available to alarm monitoring service providers for which it does act as a sales agent or perform marketing.²⁰

BellSouth verifies that the underlying services used by alarm monitoring service providers and their end-users for whom BellSouth will act as a sales agent or perform

¹⁹ *Phase I Order* at 1041.

²⁰ *Southwestern Bell Order* at 6525.

marketing are currently offered under tariff in the BellSouth states. BellSouth will also make the underlying services available under the same terms and conditions to alarm monitoring service providers and their end-users who do not utilize BellSouth as their acting sales agent. In jurisdictions where access arrangements are currently unavailable, BellSouth will make testing capability available regardless of whether BellSouth is the acting agent or perform marketing.

H. Minimization of Costs

The Commission requires a telecommunications carrier who is providing or marketing enhanced services to provide other enhanced service providers with interconnection facilities that minimize transport costs.²¹ When this requirement is applied to the sales agent relationship, the Commission states that the interconnection to all facilities used to provide the underlying services supporting the alarm monitoring service offered by entities for whom the carrier acts as a sales agent or performs marketing should be available to all other alarm monitoring service providers at the same, rates, terms and conditions.²²

BellSouth confirms that interconnection to all facilities will be offered under tariff and will be made available at the same rates and on the same terms and conditions to all alarm monitoring service providers, regardless of whether BellSouth is the acting sales agent. BellSouth will work with the alarm monitoring service providers to develop and implement new techniques which will minimize transport costs as new serving arrangements become available. The unaffiliated alarm monitoring service providers for

²¹ *Phase I Order* at 1041.

²² *Southwestern Bell Order* at 6525-26.

whom BellSouth acts as a sales agent or performs marketing will own and operate all alarm monitoring equipment on their own premises, not on BellSouth's premises.

I. Recipients of CEI

The Commission prohibits a telecommunications carrier from restricting the availability of the CEI offering it is providing or marketing to any particular class of customer or enhanced service competitor.²³ When this requirement is applied to the sales agent relationship, the Commission states that the underlying basic services used by alarm monitoring service providers for whom the carrier acts as a sales agent or performs marketing will not be limited to any class of customer or service provider and such services will be accessible by all users for any lawful purpose. Additionally, the Commission states that the carrier will make available to all alarm monitoring service providers, at the same time, in the same jurisdiction and on the same terms and conditions, any new arrangements made available to alarm monitoring service providers for whom the carrier acts as a sales agent or performs marketing.²⁴

BellSouth confirms that the availability of the underlying basic services used by alarm monitoring service providers for whom BellSouth acts as a sales agent or performs marketing will not be limited to any class of customer or service provider. All such services are available on a tariffed basis and will be accessible by all users for any lawful purpose. If any new arrangements are to be made available for alarm monitoring service providers for whom BellSouth acts as a sales agent or performs marketing, they will be made available to other alarm monitoring service providers at the same time, in the same

²³ *Phase I Order* at 1041.

²⁴ *Southwestern Bell Order* at 6526-27.

jurisdictions, and on the same terms and conditions, and the Commission and the industry will be notified thereof.

IV. OTHER NONSTRUCTURAL SAFEGUARDS

A. Allocation of Joint and Common Costs

In the *Joint Cost Order*, the Commission adopted rules for the allocation of costs between regulated and nonregulated services provided by carriers subject to its jurisdiction.²⁵ In the *Phase II Order*, the Commission required as part of its CEI requirements that BOCs comply with these rules.²⁶

BellSouth confirms that BellSouth's cost allocation procedures for alarm monitoring services for which it acts as an agent or performs marketing will be consistent with the Cost Allocation Manual that it submitted to the Commission pursuant to the *Joint Cost Order*.

B. Nondiscrimination Reporting

BellSouth will continue to abide by the Commission's existing nondiscrimination reporting rules which require BOCs to file quarterly installation and maintenance and nondiscrimination reports. Basic services associated with alarm monitoring services will be aggregated with other BellSouth services offered pursuant to CEI plans, and a single report will be filed for all such services.

²⁵ *Separation of Costs and Regulated Telephone Service from Costs of Nonregulated Activities, Amendment of Part 31, the Uniform System of Accounts for Class A and Class B Telephone Companies to Provide for Nonregulated Activities and to Provide for Transactions Between Telephone Companies and their Affiliates*, 2 FCC Rcd 1298 (1987) (*Joint Cost Order*), partially modified on reconsideration, 2 FCC Rcd 6283 (1987).

²⁶ *Amendment to Sections 64.702 of the Commission's Rules and Regulations (Third Computer Inquiry); and Policy and Rules Concerning Rates for Competitive Common Phase II Carrier Service and Facilities Authorizations Thereof; Communications Protocols under Sections 64.702 of the Commission's Rules and Regulations*, 2 FCC Rcd 3072, 3082 (1987) (*Phase II Order*).

C. Disclosure of Network Information

In the *Phase II Order*, the Commission required the BOCs to disclose information about network changes or new network services that affect the interconnection of enhanced services and make that disclosure at the make/buy point. A carrier must provide that information to members of the enhanced services industry that sign a nondisclosure agreement within 30 days after the execution of such an agreement. The carrier must also publicly disclose technical information about a new or modified network service twelve months before that service is introduced. If a BOC is able to introduce the service within twelve months of the make/buy point, it may make public disclosure at the make/buy point; however, it may not introduce the service earlier than six months after the public disclosure.²⁷

BellSouth confirms that interconnection between alarm monitoring service providers for whom BellSouth acts as a sales agent or performs marketing and the underlying basic services these alarm monitoring service providers will be achieved through existing, published network interfaces. If BellSouth changes any existing network interfaces specifications or uses new interface specifications for basic underlying services, it will comply with the Commission's network disclosure rules.

D. Customer Proprietary Network Information

The Commission released an order on February 26, 1998 implementing the requirements of Section 222 of the 1996 Act²⁸ regarding customer proprietary network information.²⁹ In this order, the Commission eliminates the *Computer III* CPNI

²⁷ *Phase II Order* at 3087, 3091-93.

²⁸ 47 U.S.C. § 222.

²⁹ *Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer*

framework, along with Sections 22.903(f) and 64.702(d)(3) of the Act.³⁰ BellSouth will comply with the Commission's new rules regarding the use of CPNI. Additionally, BellSouth will comply with the prohibition in Section 275(d) of the Act, as the Commission interpreted.³¹

V. CONCLUSION

BellSouth's CEI Plan is in compliance with the Commission's CEI requirements and with the requirements of the Commission in the *Alarm Monitoring Order* and the *Southwestern Bell Order*. Therefore, BellSouth respectfully requests expedited approval

Information, CC Docket 96-115, *Second Report and Order and Further Notice of Proposed Rulemaking*, FCC 98-27 (released February 26, 1998) (*CPNI Order*).

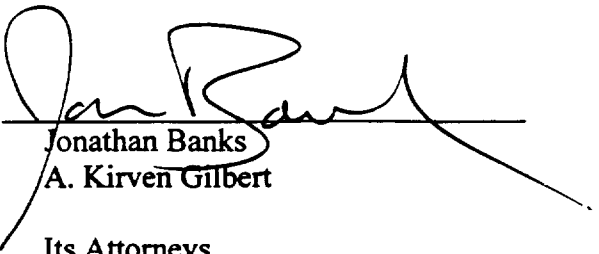
³⁰ *Id.* at ¶ 4(c).

³¹ 47 U.S.C. § 275(d) states that a LEC "may not record or use in any fashion the occurrence or contents of calls received by providers of alarm monitoring services for the purposes of marketing such services on behalf of such local exchange carrier, or any other entity."

of this CEI Plan so that it can begin meeting the customer demands for service in this rapidly changing market.

Respectfully Submitted,

BELLSOUTH CORPORATION, INC.

By: 
Jonathan Banks
A. Kirven Gilbert
Its Attorneys

Suite 1700
1155 Peachtree Street, N.E.
Atlanta, Georgia 30367-6000
(404) 249-3388
(404) 249-5901 Facsimile

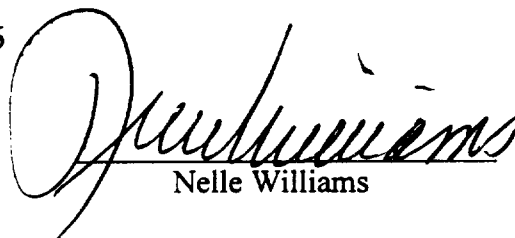
Dated: June 12, 1998

CERTIFICATE OF SERVICE

I hereby certify that I have this 12th day of June, 1998 caused copies of
**BELLSOUTH'S COMPARABLY EFFICIENT INTERCONNECTION PLAN TO
ACT AS SALES AGENT FOR UNAFFILIATED ALARM MONITORING
SERVICE PROVIDERS** to be filed with the parties shown below:

Ann H. Stevens*
Associate Division Chief
Policy and Program Planning Division
Federal Communications Commission
1919 M Street, N.W., Room 544
Washington, DC 20554

International Transcription Services, Inc.*
1231 20th Street, N.W.
Washington, DC 20036



Nelle Williams